UNL news
Vol. 62 No. 15 January 1983 (ISSN 0149-4163)
Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524.

Business in Nebraska

Prepared by the Bureau of Business Research
College of Business Administration

60 Years of Service

CHANGES IN NEBRASKA'S LABOR FORCE, 1970-1980

Between 1970 and 1980, Nebraska's labor force increased by 25.3% to 756,882 persons. There was, however, considerable variation in the labor force changes from county to county and among industries. This article examines these changes by comparing 1980 census data from the recently released summary tape file 3 (STF 3) with census data from a decade ago. STF 3 contains tabulations of sample data collected using the "long" census questionnaire. The October and November issues of *Business in Nebraska* used the STF 3 data to examine median family income and poverty in Nebraska. The November issue also provides a more detailed description of STF 3 and indicates how to obtain census data.

The total labor force, comprised of employed and unemployed civilians, as well as members of the armed forces is shown for each county in column 1 of Table 1 (pp. 2 and 3). As defined by the Bureau of the Census, the employed are civilians 16 and over who were either at work the week prior to the census on April 1, 1980, or were temporarily absent from work due to illness, vacation, strike, or other personal reasons. The unemployed are civilians 16 years old and over, not at work (and not otherwise with a job), who were actively looking for work during the four weeks preceding the census and were available to accept a job.

Column 1 shows that, in 1980, 51.4% of the state's labor force was concentrated in just five counties (Douglas, Lancaster, Sarpy, Hall, and Scotts Bluff). This is a slight increase over their 49.7% share of the state's total labor force in 1970. In contrast, the ten counties with the smallest labor forces had less than 500 workers each and their combined labor force accounted for just over 0.5% of the state's total labor force in 1980.

Columns 2 and 3 show the labor force by sex. Although in 1980 there were still considerably more males in Nebraska's labor force than females, the 1.4 male workers per female in 1980 contrasts with the 1970 composition of 1.7 males for each female. The corresponding ratios for the U.S. labor force showed a similar change, dropping from just under 1.7 to 1.37 male workers per female.

Column 8 shows the decade percentage changes in each county's total labor force. Changes in the labor force are determined by changes in the number of persons 16 or over and changes in the degree to which people of this age participate in the labor force. The largest percentage increases in the labor force were in Sarpy and Box Butte counties, where the labor force grew by 73.9% and 72.8%, respectively. These increases represent additions of 18,829 and 2,735 workers to the respective county labor forces over the period. Dakota county's labor force grew by the next highest percent (53.8) with the addition of 2,695 persons. In Figure 1, where percentage changes in the county labor forces have been shown with a map, it can be seen that growth was not confined to any one region, although counties experiencing declines in their labor forces tended to be toward the middle and western regions of the state.

For the state, 152,640 workers were added to the labor force, resulting in the 25.3% increase that was reported earlier. The largest increase in the number of workers was in Douglas County, where 33,600 persons were added to the labor force for a 20.5% increase. Lancaster County added 27,702 workers, while Sarpy County's additions, noted previously, ranked third in size.

It was indicated earlier that change in the size of the labor force is determined, in part, by change in the size of the population that is labor force age (greater than or equal to 16.) Column 7 shows the percentage change in the number of persons in this age group. Although the population of labor force age declined in nineteen Nebraska counties, there were actual declines in the labor force in just nine counties. Kimball, Sherman, Garfield, and Deuel counties each lost between 100 to 160 workers. Losses in the other five counties were less than 65 workers. The 108 fewer workers in Garfield County resulted in the largest percentage decline, 10% of the county's 1970 labor force.

FEMALE LABOR ADDITIONS

The 93,843 females added to the Nebraska labor force between 1970 and 1980 greatly outnumbered the increment of 58,797 males, with about 1.6 females added (continued on page 3)

Figure 1
PERCENT CHANGE IN TOTAL LABOR FORCE: 1970-1980

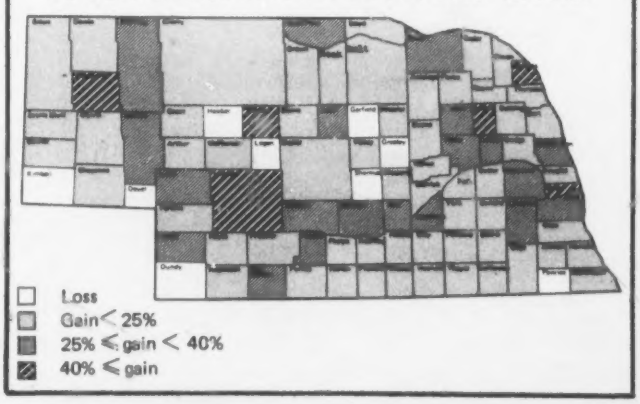

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Table 1

LABOR FORCE PARTICIPATION IN NEBRASKA COUNTIES

County	1980 Labor Force			1980 Participation Rate (%)			Percent Change 1970-1980 Population 16 and over	Percent Change 1970-1980 Labor Force			Percent Change 1970-1980 Female Participation Rate
	Total	Male	Female	Total	Male	Female		Total	Male	Female	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adams	15,149	8,653	6,496	64	77	51	7	18	12	26	18
Antelope	3,438	2,236	1,202	53	71	36	3	5	-3	23	21
Arthur	262	186	76	65	88	40	22	22	26	15	-5
Banner	400	292	108	58	84	32	-5	6	-2	37	39
Blaine	341	245	96	53	76	30	16	5	6	2	-9
Boone	3,163	2,137	1,026	57	78	37	-2	10	5	22	26
Box Butte	6,494	4,126	2,368	65	83	47	43	73	66	86	36
Boyd	1,395	965	430	53	74	33	-1	4	3	7	9
Brown	1,876	1,163	713	57	73	41	17	24	12	52	32
Buffalo	17,299	9,677	7,622	65	77	54	16	31	18	53	29
Burt	3,789	2,390	1,399	56	72	40	2	8	-1	28	26
Butler	3,880	2,423	1,457	55	69	41	6	17	3	53	43
Cass	9,354	5,772	3,582	63	79	48	19	37	25	63	38
Cedar	4,489	2,935	1,554	55	72	38	5	12	3	32	28
Chase	2,045	1,297	748	59	78	42	19	28	20	46	24
Cherry	3,103	2,008	1,095	61	79	43	7	13	4	33	25
Cheyenne	4,740	2,882	1,858	62	77	48	4	15	7	29	28
Clay	3,484	2,199	1,285	57	74	41	6	24	13	51	44
Colfax	4,219	2,652	1,567	56	72	41	11	26	11	60	47
Cuming	5,114	3,332	1,782	59	78	41	6	15	3	45	38
Custer	5,925	3,746	2,179	56	75	40	4	9	1	26	20
Dakota	7,708	4,537	3,171	65	79	52	39	54	39	80	31
Dawes	4,669	2,758	1,911	62	74	49	3	20	16	25	20
Dawson	10,688	6,481	4,207	65	82	50	20	37	26	58	34
Deuel	1,029	651	378	54	71	38	-3	-9	-11	-6	-5
Dixon	3,052	1,940	1,112	58	73	42	2	4	1	9	9
Dodge	16,939	9,870	7,069	62	77	49	13	18	7	36	21
Douglas	197,791	109,991	87,800	67	79	56	12	20	11	34	20
Dundy	1,071	674	397	48	61	35	2	-5	-16	22	21
Fillmore	3,352	2,077	1,275	55	72	40	4	10	-1	35	31
Franklin	1,951	1,198	753	57	72	42	0	4	-5	24	22
Frontier	1,641	1,093	548	59	79	39	-3	2	-7	29	28
Furnas	2,742	1,607	1,135	54	67	42	-2	13	3	31	33
Gage	11,490	6,458	5,032	60	71	50	2	18	4	44	40
Garden	1,359	831	528	61	77	46	4	25	12	52	47
Garfield	1,013	630	383	56	73	40	0	-10	-7	-13	-11
Gosper	950	637	313	58	76	39	12	31	15	83	60
Grant	403	271	132	63	84	41	20	14	23	1	-13
Greeley	1,432	938	494	56	76	38	-9	-1	-12	29	38
Hall	23,560	13,461	10,099	67	81	55	19	31	22	46	26
Hamilton	4,157	2,673	1,484	61	80	42	13	30	19	54	37
Harlan	1,849	1,127	722	55	69	42	4	7	-3	27	22
Hayes	548	427	121	54	82	25	-3	7	13	-8	0
Hitchcock	1,665	1,145	520	54	74	34	6	20	13	39	34
Holt	5,606	3,784	1,822	57	79	36	15	23	20	28	13
Hooker	406	254	152	53	71	37	0	-6	-14	12	3
Howard	2,690	1,673	1,017	54	69	40	9	15	0	55	40
Jefferson	4,650	2,785	1,865	59	74	46	0	12	1	33	34
Johnson	2,353	1,424	929	57	72	44	-1	4	-5	21	21
Kearney	3,255	2,005	1,250	60	77	45	14	23	17	35	19
Keith	4,575	2,705	1,870	66	80	52	21	26	25	26	6
Keya Paha	583	406	177	60	85	36	17	36	28	58	34
Kimball	2,371	1,428	943	65	79	50	-9	-6	-15	10	19
Knox	4,855	3,121	1,734	56	74	40	7	26	8	79	67
Lancaster	105,415	57,115	48,300	69	78	61	24	36	27	47	20
Lincoln	17,086	10,705	6,381	64	83	47	31	45	41	54	19
Logan	411	284	127	58	82	35	-4	-6	-11	9	15
Loup	398	260	138	62	82	42	9	28	3	138	114
Madison	15,418	8,927	6,491	65	79	52	22	36	29	48	23
McPherson	249	190	59	54	81	26	12	15	5	64	53

Table 1 (continued)

County	1980 Labor Force Total	1980 Labor Force Male	1980 Labor Force Female	1980 Participation Rate (%) Total	1980 Participation Rate (%) Male	1980 Participation Rate (%) Female	Population 16 and over	Percent Change 1970-1980 Labor Force Total	Labor Force Male	Labor Force Female	Female Participation Rate
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Merrick	3,978	2,479	1,499	60	77	44	12	16	11	28	13
Morrill	2,630	1,705	925	57	75	40	11	21	16	32	20
Nance	1,851	1,253	598	52	71	34	-2	3	-1	15	23
Nemaha	3,788	2,267	1,521	58	73	45	-4	5	-5	24	28
Nuckolls	2,925	1,863	1,062	56	74	39	-1	3	-2	15	17
Otoe	6,963	4,033	2,930	60	74	47	4	6	-1	17	13
Pawnee	1,675	1,083	592	53	71	36	-5	-4	-10	12	17
Perkins	1,603	1,045	558	59	78	40	11	12	6	25	13
Phelps	4,934	2,807	2,127	66	81	53	10	22	13	36	23
Pierce	3,772	2,388	1,384	60	77	43	9	18	7	43	32
Platte	14,020	8,261	5,759	67	82	53	19	28	20	40	18
Polk	2,655	1,689	966	56	72	41	2	5	1	12	12
Red Willow	6,100	3,581	2,519	64	79	50	10	26	14	47	35
Richardson	4,894	2,913	1,981	55	70	42	-1	2	-9	25	26
Rock	1,128	707	421	64	82	47	5	22	14	39	35
Saline	5,913	3,404	2,509	57	69	47	7	20	8	41	29
Sarpy	44,324	26,752	17,572	75	89	61	56	74	49	132	45
Saunders	8,229	5,229	3,000	59	75	43	15	31	20	55	35
Scotts Bluff	17,617	10,301	7,316	63	77	49	12	19	9	38	20
Seward	6,991	4,276	2,715	58	70	45	13	14	8	27	14
Sheridan	3,525	2,090	1,435	62	78	48	11	30	16	56	39
Sherman	1,684	1,065	619	54	69	39	-3	-7	-18	18	17
Sioux	802	565	237	57	78	34	-1	12	-7	115	119
Stanton	2,890	1,859	1,031	64	80	46	19	41	25	85	59
Thayer	3,272	2,047	1,225	55	71	40	4	15	8	27	26
Thomas	436	290	146	63	82	42	10	43	29	82	75
Thurston	2,910	1,725	1,185	58	70	46	10	19	5	46	31
Valley	2,445	1,549	896	57	74	40	3	13	2	39	35
Washington	7,284	4,354	2,930	63	77	50	22	36	22	63	34
Wayne	4,797	2,881	1,916	61	76	47	1	18	5	46	40
Webster	2,087	1,286	801	55	71	40	-2	5	-1	16	17
Wheeler	475	315	160	62	82	42	4	17	7	45	37
York	6,946	4,104	2,842	62	78	48	15	23	16	36	18
Nebraska	756,882	442,023	314,859	64	78	51	14	25	15	42	25
United States	106,065,807	61,325,264	44,740,543	62	75	50	21	29	19	46	21

Sources: U.S. Bureau of the Census, *Census of Population: 1970, General Social and Economic Characteristics,* Final Report PC(1)-C1, United States Summary; *Census of Population: 1970, General Social and Economic Characteristics,* Final Report PC(1)-C29, Nebraska; *Census of Population: 1980, Provisional Estimates of Social, Economic, and Housing Characteristics,* Supplementary Report PHC80-S1-1; and unpublished data from STF 3.

(continued from page 1) for each male. The increased participation of females in the labor force is an important explanation of the increase in the total labor force of Nebraska and most counties. The 1980 female labor force participation ratio, which is the ratio of the female labor force to the female population 16 and over, is shown in column 6 (multiplied by 100) and the percentage change in this rate between 1970 and 1980 is shown in column 11. For the state, the female labor force participation rate increased by nearly 25%, from 41.1 in 1970 to 51.3 in 1980. An idea of the importance of this change can be obtained by multiplying the difference between the 1980 and 1970 female labor force participation rates (10.2) times the 1970 female population of labor force age (537,347). The result is that more than 54,000 additional females were in the Nebraska labor force in 1980 than in 1970, due to changes in the labor force participation of females. This accounts for well over half of the total increase in the female labor force and for more than one-third of the change in the total labor force. Increases in the number of persons 16 and over accounted for much of the remainder of the labor force increase, since the male labor force participation rate changed very little (from 77.6 in 1970 to 78.0 in 1980).

Some of the largest changes in participation rates were among females with children. In 1980, there were slightly more than one hundred thousand women with children under six and half of these women were in the labor force. Just ten years earlier, only 33% of women with children this age participated in the labor force. Between 1970 and 1980 participation rates changed from 50% to 67% for women with children between 6 and 17.

EMPLOYMENT BY INDUSTRY

Table 2 (p. 6) shows employment data by industry for Nebraska and the United States. The table excludes workers that were unemployed by the census definition. Column 1 indicates the number of persons employed in Nebraska in 1980 by industry. Column 3 shows the percent (continued on page 6)

Review and Outlook

Nebraska's net physical volume index increased 0.9 percent August-September 1982. Nebraska's economy remained depressed below year-ago levels despite the monthly increase.

Construction, manufacturing, and the distributive trade sectors recorded increases, while agriculture and government declined. Construction recorded a slight increase of 0.5 percent, with the manufacturing component recording an increase of 1.6 percent. It is too soon to determine, of course, if the September increase represents an upturn or if it is simply a reaction to the depressed conditions of the previous months. Since May 1982, the rate of decline in the manufacturing sector has slowed considerably.

The distributive trade component of the index recorded a substantial monthly increase of 4.8 percent. This is the largest monthly increase in the distributive trade component in three years.

The agriculture component of Nebraska's economy declined 11.1 percent on a month-to-month basis. Cash farm marketings, seasonally adjusted, were down sharply. Prices received by Nebraska farmers are off 3.6 percent when compared with one year ago, while prices received by U.S. farmers are up 1.6 percent. Cash farm marketings from Nebraska farms are off 5.4 percent on a year-to-date basis.

September 1982 retail sales were $4 million above one year ago. The increase was led by motor vehicle sales, which were $10 million higher in September of 1982 (continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

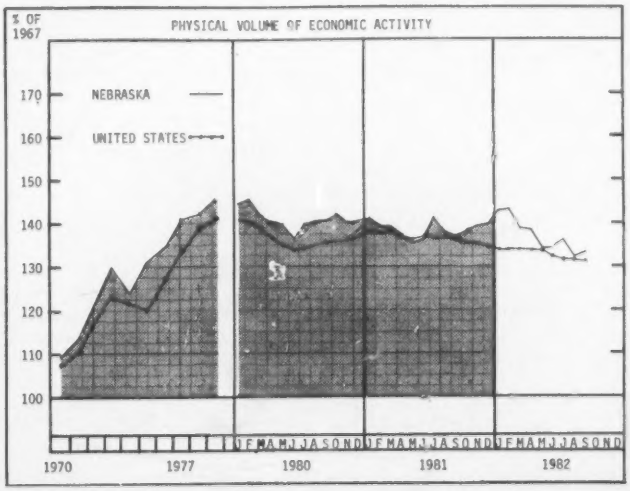
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

September 1982	Current Month as Percent of Same Month Previous Year		1982 Year to Date as Percent of 1981 Year to Date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	101.7	100.5	103.4	102.5
Agricultural	102.7	101.7	129.0	104.5
Nonagricultural	101.5	100.4	100.1	102.5
Construction	86.6	99.5	72.9	93.7
Manufacturing	83.7	88.0	88.6	93.3
Distributive	107.0	104.9	103.5	105.9
Government	106.2	105.9	109.9	109.1
Physical Volume	97.8	96.0	99.1	96.8
Agricultural	106.5	100.1	135.8	109.3
Nonagricultural	96.6	95.8	94.4	96.4
Construction	86.4	99.2	70.9	91.3
Manufacturing	82.2	86.6	86.6	90.8
Distributive	101.9	99.9	97.0	99.3
Government	99.2	97.9	101.5	98.1

2. CHANGE FROM 1967

	Percent of 1967 Average	
Indicator	Nebraska	U.S.
Dollar Volume	369.6	362.3
Agricultural	330.3	355.5
Nonagricultural	375.4	362.6
Construction	207.8	309.4
Manufacturing	316.8	280.8
Distributive	406.1	410.8
Government	409.1	371.8
Physical Volume	133.4	131.2
Agricultural	135.4	142.2
Nonagricultural	133.0	130.8
Construction	63.0	93.8
Manufacturing	131.8	114.3
Distributive	138.5	140.1
Government	145.4	144.8

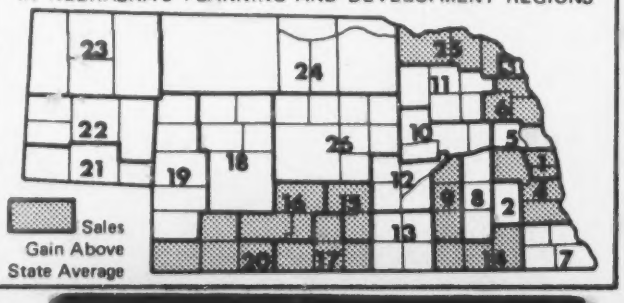


3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)

Region Number and City	City Sales*	Sales in Region*	
	Sept. 1982 as percent of Sept. 1981	Sept. 1982 as percent of Sept. 1981	Year to date'82 as percent of Year to date'81
The State	95.8	97.2	94.6
1 Omaha	103.0	104.4	98.0
Bellevue	107.2		
2 Lincoln	82.8	85.0	94.1
3 So. Sioux City	81.7	88.5	89.4
4 Nebraska City	95.8	100.9	95.3
5 Fremont	92.3	95.7	94.1
Blair	103.5		
6 West Point	112.2	104.2	98.7
7 Falls City	86.9	91.8	94.1
8 Seward	85.2	90.9	94.4
9 York	91.8	100.5	95.6
10 Columbus	102.4	98.3	91.4
11 Norfolk	93.0	94.4	92.7
Wayne	102.6		
12 Grand Island	94.8	97.0	91.9
13 Hastings	95.1	98.4	90.0
14 Beatrice	90.3	98.9	94.9
Fairbury	106.0		
15 Kearney	102.7	103.2	97.0
16 Lexington	103.0	104.5	96.4
17 Holdrege	95.7	102.4	96.0
18 North Platte	101.6	103.2	93.5
19 Ogallala	99.3	98.8	91.3
20 McCook	110.6	111.9	96.8
21 Sidney	113.7	99.3	92.9
Kimball	81.2		
22 Scottsbluff/Gering	82.2	86.5	89.7
23 Alliance	88.1	92.5	88.8
Chadron	96.9		
24 O'Neill	88.8	93.6	89.8
25 Hartington	102.6	103.5	95.5
26 Broken Bow	89.4	97.0	90.2

*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Region totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.

1982 YEAR TO DATE AS PERCENT OF 1981 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



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(continued from page 4) compared with one year previous. Nonmotor vehicle retail sales were down $6 million over the same interval.

Trade centers with increases in real retail sales include Omaha, Bellevue, Blair, West Point, Columbus, Wayne, Fairbury, Kearney, Lexington, North Platte, McCook, Sidney, and Hartington. Sidney's 13.7 percent increase in real retail sales led all Nebraska trade centers.

Sidney led all Nebraska trade centers with better local business conditions in September 1982 compared to one year ago. Other cities showing gains, according to the Bureau's city business index include Nebraska City, Bellevue, McCook, and Chadron.

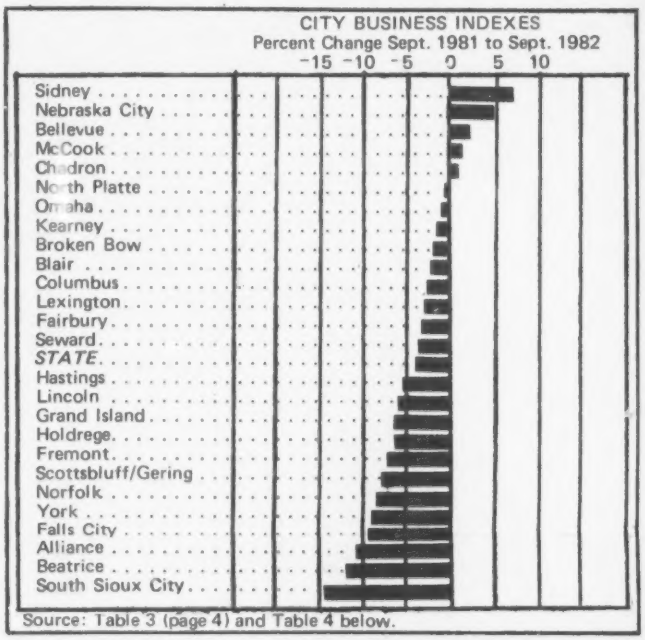
The outlook for 1983 is not encouraging for Nebraska or the nation. For the United States, real gross national product should increase 2 to 3 percent. This would be below the long-term average of 3.5 percent. Per capita real disposal personal income, the amount available to consumers, has increased little since 1979. Slight gains may be recorded in 1983, but it is doubtful that these gains will equal increases recorded in previous years. Unemployment is expected to remain high nationally, dropping to below 10 percent by mid-year.

The outlook for the Nebraska economy is less encouraging because of depressed grain and livestock prices. Gross state product will likely increase no more than 1 percent in real terms in 1983, far below the average real increase of approximately 3.75 percent recorded during the 1970s.

Nebraskans will benefit from lower rates of inflation and lower interest rates in 1983. Inflation, measured by the commodity component of the consumer price index, is now averaging less than 4 percent per year. The overall consumer price index is expected to increase on the order of 4 to 6 percent in 1983. The commodity component of the consumer price index will probably show a less substantial increase in prices.

Short-term interest rates and long-term rates are expected to average less in 1983 than in 1982. Interest rates are likely to decline from present levels, although short-term rates especially may be subject to erratic movement up and down in 1983. The overall tendency will be for interest rates to decline in 1983.

D. E. P.



Source: Table 3 (page 4) and Table 4 below.

4. SEPTEMBER CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago: Employment[1]	Building Activity[2]	Power Consumption[3]
The State	96.4	92.1	98.4
Alliance	91.3	72.3	101.0
Beatrice	97.4	25.5	96.1
Bellevue	96.6	109.4	102.7
Blair	97.4	61.4	104.3*
Broken Bow	103.4	130.2	113.1
Chadron	105.1	106.0	113.7
Columbus	92.2	95.7	101.8
Fairbury	98 8	31.5	94.6
Falls City	100.1	46.6	89.7
Fremont	95.3	66.7	100.7*
Grand Island	93.7	75.1	100.1
Hastings	95.9	76.2	87.0
Holdrege	95.9	56.0	108.1
Kearney	97.0	75.3	100.7
Lexington	94.3	68.4	67.4
Lincoln	96.4	193.1	101.4
McCook	91.9	108.2	115.3
Nebraska City	96.8	547.1	92.7
Norfolk	93.6	58.8	93.3
North Platte	98.1	99.7	102.6*
Omaha	96.6	94.0	99.7
Scottsbluff/Gering	98.3	108.3	102.7
Seward	102.1	147.1	100.1*
Sidney	99.2	123.4	117.6
So. Sioux City	100.9	22.9	98.0
York	96.4	42.7	96.4

[1] As a proxy for city employment, total employment for the county in which a city is located is used.

[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

5. PRICE INDEXES

September 1982	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	293.3	105.0	106.7
Commodity component	266.6	103.5	104.1
Wholesale Prices	299.5	101.3	103.0
Agricultural Prices			
United States	250.0	101.6	95.5
Nebraska	244.0	96.4	95.2

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

(continued from page 3) increase in employment in each industry between 1970 and 1980, while the fifth column gives each industry's share of the state's 1980 total employment. Columns 2, 4, and 6 provide corresponding information for the United States.

The largest industries in Nebraska in terms of employment were professional services, with over 148 thousand employed, and retailing, with about 120 thousand employed. STF 3 tabulations group agriculture, forestry, fishing, and mining together. Employment corresponding to this combined classification declined between 1970 and 1980, resulting in manufacturing replacing agriculture as the third largest industry in Nebraska in terms of the number of persons employed. Manufacturing's share of total employment increased only slightly, from 13.7% to 13.8%, but the share of the classification including agriculture declined from 14.1% to 11% between 1970 and 1980. Combined employment in the four industry classifications accounted for more than 60% of Nebraska's employment in 1980.

The largest percentage increases in employment were in transportation and in the category consisting of business and repair services—each increased by about 70%. The increase in health services employment (included in professional and related services) was almost 60%. These increases are more than twice as large as the 24.4% increase in total employment in Nebraska.

A comparison of columns 5 and 6 of Table 2 indicates that differences in agriculture and manufacturing shares of employment are the main differences between the Nebraska and U.S. distribution of employment among industries. These differences are smaller than in 1970. The percent of total U.S. employment that was in manufacturing declined from about 26% in 1970 to 22.3% in 1980, and remained almost stable in Nebraska. The share of employment in the agriculture category dropped from 14.1% to 11% in Nebraska, but only from 4.5% to 4.0% in the United States between 1970 and 1980. D. O. L.

Table 2
EMPLOYMENT BY INDUSTRY IN NEBRASKA AND THE UNITED STATES, 1980

	Employment 1980		% Change in Employment 1970-1980		% of Total Employment 1980	
	Nebraska	U.S.	Nebraska	U.S.	Nebraska	U.S.
	(1)	(2)	(3)	(4)	(5)	(6)
Agriculture, Forestry, Fisheries, Mining	78,840	3,927,232	-3	13	11.0	4.0
Construction	43,296	5,765,627	27	26	6.0	5.9
Manufacturing	99,046	21,798,171	25	10	13.8	22.3
Transportation	40,771	4,230,987	69	50	5.7	4.3
Communication, Other Public Utilities	26,063	2,826,010	29	20	3.6	2.9
Wholesale Trade	33,961	4,250,145	36	36	4.7	4.4
Retail Trade	120,958	15,795,183	16	29	16.9	16.2
Finance, Insurance, and Real Estate	44,014	5,821,955	47	52	6.1	6.0
Business and Repair Services	24,929	4,073,316	69	70	3.5	4.2
Personal, Entertainment, and Recreation Services	27,236	4,092,479	-11	-2	3.8	4.2
Professional and Related Services	148,775	19,782,125	38	46	20.8	20.3
Public Administration	28,744	5,267,831	14	25	4.0	5.4
Total:	716,633	97,63:,061	24.4	27.5	100	100

Sources: See Table 1.

UNL news

Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524

BUSINESS IN NEBRASKA
PREPARED BY BUREAU OF BUSINESS RESEARCH
Member, Association for University Business & Economic Research

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No. 460 January 1983

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UNL news
Vol. 62 No. 18 February 1983 (ISSN 0149-4163)
Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524.

Business in Nebraska

Prepared by the Bureau of Business Research
College of Business Administration

60 Years of Service

BUILDING A BUSINESS WITH NO OUTSIDE STOCKHOLDERS

The following remarks were presented by Mr. Roy H. Park, Visiting Executive in the College of Business Administration, University of Nebraska-Lincoln, on September 15, 1982. Mr. Park is president of Park Broadcasting, Inc., and Park Newspapers, Inc. His entrepreneurial spirit has carried him through various careers, including the development of the well-known Duncan Hines brand label. When Hines-Park Foods merged with Proctor and Gamble in 1956, Mr. Park joined P & G as a consultant. Mr. Park was one of the first to realize the power of television in marketing products. Today, his corporation owns 7 TV stations, 7 AM and 7 FM stations, and his was the first company given permission by the Federal Communications Commission to own 21 stations. His newspaper interests include ownership of more than 60 papers. His presentation to the students and faculty sets out his experiences, along with suggestions on what is important to determining success. It is printed here for guidance for today's students and generations of students to come.

Looking around the room, I can't help feeling just a little bit jealous of the opportunities that lie ahead for you. And the reason is—like a theme the steamship lines used some years back—"Getting there is half the fun!" To me, with a business career, "getting there" is closer to 90 percent of the fun—and I've had most of mine. Yours is still up front; I admit to just a touch of envy.

I have been told that after graduation one out of every four of you will go to a Fortune 500 company. An even larger number of you will go into the accounting field, including jobs with the big eight accounting firms. Others will move into finance, banking, insurance, economics, management, and marketing. One or two percent of you will go back to family-owned businesses, and I'm pleased to say that—perhaps as an indication of the times and new philosophy—only a handful will choose government bureaucracy.

I want to offer *another* choice for your consideration—one, I'm told, just a few of you from the class each year commit themselves to: *Going into Business for Yourself.* Entrepreneurship built our country, and some of the early leaders who bore the entrepreneur label with pride were Thomas Edison, Henry Ford, and Harvey Firestone.

Of course, you do not just walk off campus and launch your own successful business. You need some practical experience. You cannot run a business out of a manual any more than you can farm out of a book. If you *are* considering going into business for yourself, first get located in someone else's business where you can get the practical experience to supplement your education. Deliberately *position* yourself to *learn* about the type of business you eventually want to establish.

Despite the age gap between us, there *are* eternal constants. One of them, I think, is that you have to *know* you want your own business—you cannot get much useful help here from parents, friends, or even from me. *You* have to know. So don't ask yourself, "*Can* I build a highly successful career in my own business?" Ask yourself instead, "How much do I really *want* to?"

Once you have decided to point toward having your own business, you can get basic experience in other businesses without starting at the bottom of the pole as the graduates in my alma mater at North Carolina State University had to do—and if you went with the telephone or power company in the thirties, that was *not* just a figure of speech!

Another thing you have today that I didn't (and have always been grateful for) is the *agony* of *choice.* Your options are not as endless today as they were a few years ago, but you do not have to start at the very bottom. You may sacrifice starting salary, as I did, to find opportunities I was looking for—a place to exercise initiative, make decisions, and have a little free time to work out some of my own ideas. I probably could have "done alright," just as you can, if I had gone with a big company and just "stayed put." But, from the beginning, I *wanted my own business.*

So I bypassed the bigger companies to get into what was a new and exciting business in the thirties—farmers' cooperatives. There were two headquartered in Raleigh, North Carolina—one in cotton and one in tobacco. I took a job as editor, advertising manager, and publicity manager for the North Carolina Cotton Growers Association, and while the job does not sound very glamorous, over the next eleven years it gave me the chance to develop sales programs, write and place the advertising, develop and launch some trade publications of my own, and to operate a printing plant, of which I was one-third owner.

By the end of that time, I had learned basics in print and communications that have never left me, and I learned work habits—borne of a deliberate self-discipline—that are unchanged today. (Today, they would call me a "workaholic," but then, in depression years, the whole outlook toward work was quite different.)

One basic precept that has worked well for me is a very simple one—if you see a need, figure out a way to fill it. If it is a genuine need, and you have a sound answer (continued on page 2)

(continued from page 1) to that need, then the reward will take care of itself.

As a graduate in business with a minor in journalism, I was a careful reader of all trade publications in the communications and business field. Back then, newspapers had *Editor and Publisher* and, during the early part of my career, *Broadcasting* magazine made its appearance.

It struck me that with some 15,000 farm cooperatives across the country, it was strange that there was no magazine for farm cooperative executives—when *Editor and Publisher* was highly successful serving less than 2,000 daily newspapers. So, I decided to start a trade magazine for farm cooperative leaders, which I named *Cooperative Digest.* It had a simple formula. The first 18 pages contained news as to what farm cooperatives were doing, and the last 18 pages carried condensed articles from speeches by outstanding farm cooperative leaders and condensations of articles they might write.

Dr. H. E. Babcock, Chairman of the Board of Trustees at Cornell and the founder of GLF, now Agway, wrote an article back in the early forties on farm cooperatives and their future for the *Saturday Evening Post,* which was then picked up by the *Reader's Digest.* My *Cooperative Digest*—with less than 10,000 circulation—reprinted this article and Dr. Babcock got more replies from my reprint than from the original article in the *Post* plus the condensed version in the *Reader's Digest.* This impressed him, and I presume he thought that I must be a wizard in my field. At any rate, he looked me up and offered me a very attractive position to come to Ithaca and handle the advertising, promotion, and public relations of what was then the largest farming cooperative in the world.

I felt I had to tell him at the outset that I would move *only* to have my own business. "Young man," Mr. Babcock said, "You just bought it." "What business did I buy?" I asked. "Your own ad agency," he replied. "If you need money, we will lend it to you."

Well, it was not an offer from the Godfather, but it *was* too good to refuse.

I took over what was essentially the GLF cooperative's advertising and PR department of seven people. We called ourselves "Ag Research," pioneered in a good many market research techniques, and began to make money by doing good work at reasonable rates. By serving similar types of farm businesses, we opened branches in five other large eastern cities, grew to employ one hundred twenty-five people, and were going just great six years later when I fell on my face.

My mistake was in getting into political advertising, where we did two successful gubernatorial campaigns for Tom Dewey in New York state and handled his farm and small-town promotions for his two presidential campaigns in 1944 and 1948. Right after our man lost, we offered all our clients the opportunity to change agencies if they wished, and a lot did.

A good marketing study we made through Ag Research had convinced me that these cooperatives were *not* willing to spend the hard dollars required to launch their own consumer brand. So, I recommended that they *franchise* a brand instead, using a name already established in the food field, and they accepted the idea.

Many names were considered—in the hundreds—but none filled the bill until I came across Duncan Hines. That was a name that made me almost snap my fingers—for I just *knew* that was the one. I arranged to meet Duncan Hines, and in preparation I did my homework on every available detail of his professional and business life as a gourmet and travel authority. When I kept my appointment with him at the Waldorf Towers in New York City, I was the world's top expert on Duncan Hines! And, if I can preach for a moment, it is always an advantage to be better prepared than the other fellow.

"So, you are going to make me a millionaire," he said, after formalities. From my research, however, I knew he did not really aspire to great wealth. I figured, too, that he had been approached with "get rich" schemes many times. So I told him, "No, we are not going to make you a fortune, but by making your name more meaningful in the home, you can upgrade American eating habits."

Knowing, too, that he never endorsed anything, we had come prepared with completely finished Duncan Hines labels, in full color, on dummy containers—so that he could see what the concept would look like. He bought it—and in so doing brought me into my second business. The sale was made when I told him we were not seeking an endorsement, but that we wanted to name something for him. *It worked.*

We began planning and product testing in earnest, and employed the sound research principles we had used in Ag Research, including the use of "blind tests" on every product *before* market introduction to assure ourselves of a basic product difference. We held firm that there had to be a real advantage in appearance (as in beautiful, uniform olives in a glass jar), in feel or texture (as in bread), or in taste (as in rich ice cream). Then after working out the financing—which I will go into a little later—we began accepting franchise applications from good food processors who had no recognized brand name of their own.

Rigid quality controls, approved by Mr. Hines, were maintained from the start, and we were soon packaging a variety of foods under the Duncan Hines name, which we test-marketed in New England, the Midwest, and the South. The test marketing proved that the name Duncan Hines had consumer appeal and that it responded effectively to advertising and promotion.

The next step was to set up a corporation which could take over the rights to the Duncan Hines brand name and would have the financing necessary to develop a franchising program among quality food processors.

Our brand not only had quality and consumer acceptance, but our marketing strategy had a very significant advantage over brands such as S. S. Pierce, which shipped foods into Boston for packaging and labeling and then back across the country to the food stores. We shipped the labels to the product—not the product to the labels—resulting in a substantial savings in transportation costs.

Duncan Hines cake mix, manufactured by Nebraska Consolidated Mills in Omaha, now ConAgra, came to be the line's most resounding success. The brand captured forty-eight percent of the Omaha market in just three weeks after introduction, then continued to make startling market inroads throughout the country. In three or four years, Duncan Hines cake mixes were "giving fits" to old and well-known names—Swanson, Pillsbury, Aunt Jemima, and Betty Crocker. We could never *out-spend* those

(continued from page 4) been outright purchases of established facilities, the exception being a few we built and put on the air. There are no "giants" among them, but all cover key TV market areas, and we have been careful to stick to the top one-hundred markets, which attract most advertising budgets. Our seven TVs, together with our fourteen radio stations, cover roughly 14.5 percent of the total population in this country—or, putting it another way, our broadcast stations can be seen or heard by almost 32 million people—after eliminating any duplication in our joint TV and radio markets.

We had to buy radio stations where we could get them, and they are located across the nation from the Atlantic to the Pacific. Present broadcast operations total seven TV stations, seven AM and seven FM stations—the maximum number permitted by FCC regulations. We were the first to reach this milestone.

As we approached our limit in broadcasting properties, we moved to my first love in communications: newspapers. We bought our first newspaper in 1972, the *Daily Sun* of Warner Robins, Georgia, for cash. We have since added others in New York state, Virginia, Florida, Nebraska, Indiana Oklahoma, North Carolina, Illinois, Michigan, Arkansas, and North Dakota, for a total of sixty-two, which includes twenty-two dailies. Most could be called small-town newspapers, with circulations in the 10,000-20,000 range. Publishing staffs have been retained intact in nearly all cases, with only ownership changing. We do not employ any "new broom" approach. In terms of daily circulation, our newspaper group now ranks forty-nine among the one hundred seventy newspaper groups in the United States today. We like newspapers, and it's our intention to continue to acquire good community dailies located east of the Rockies. We're actively seeking good properties at the present time . . . in case you know of any.

Our broad approach to managing our interests is to allow the widest latitude, amounting to virtual autonomy, to *local* management. To each property we provide management service of high order on a fee basis, which runs four percent of gross billings. Our contribution to the separate operations falls primarily into four categories:

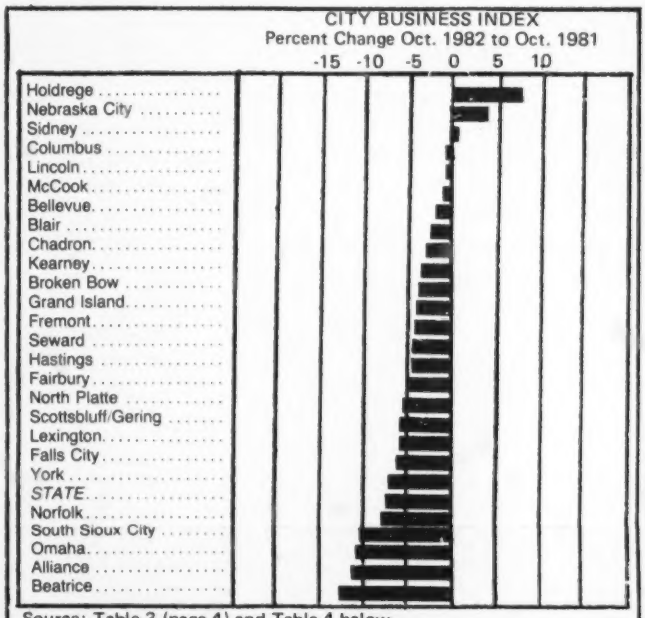
- Leadership,
- Stimulation,
- Motivation, and
- Financial control.

Each of our sixty separate companies has its own Board of Directors, and we hold regular meetings at a number of our business operations where former owners serve as directors. Veto power over major business decisions is retained in Ithaca, but day-to-day operations are under individual control, subject only to precise reporting and business (continued on page 6)

5. PRICE INDEXES

October, 1982	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	294.1	105.1	106.6
Commodity component	267.5	103.7	104.1
Wholesale Prices	299.9	101.3	102.8
Agricultural Prices			
United States	238.0	98.3	95.8
Nebraska	232.0	95.9	95.3

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.



Source: Table 3 (page 4) and Table 4 below.

4. CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago: Employment[1]	Building Activity[2]	Power Consumption[3]
The State	96.7	101.0	95.9
Alliance	92.1	98.2	137.1
Beatrice	97.9	18.3	94.3
Bellevue	97.5	147.0	102.4
Blair	96.8	59.1	98.3
Broken Bow	98.0	47.9	111.8
Chadron	100.3	98.5	123.3
Columbus	90.4	93.1	90.8
Fairbury	98.6	56.6	91.1
Falls City	98.5	44.0	88.2
Fremont	96.2	64.4	91.6*
Grand Island	94.4	102.5	98.3
Hastings	98.4	109.0	140.7
Holdrege	96.4	69.7	93.9
Kearney	97.9	95.7	101.4
Lexington	94.6	56.5	70.5
Lincoln	98.8	258.6	91.3
McCook	91.4	93.7	104.2
Nebraska City	97.0	587.2	87.2
Norfolk	94.3	54.4	87.3
North Platte	95.3	82.7	105.7
Omaha	97.5	91.1	93.5
Scottsbluff/Gering	98.0	95.3	126.0
Seward	100.0	101.9	86.7
Sidney	100.1	184.2	120.9
So. Sioux City	98.3	19.7	95.7
York	96.3	65.1	96.2

[1] As a proxy for city employment, total employment for the county in which a city is located is used.
[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.
[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

(continued from page 3)

- In all acquisitions—if you possibly can—offer to buy for *cash*. It sure gets you the best price, and will knock out of the box the fellow who offers a small down payment, and notes on the property he is buying.
- Lastly, avoid tying up your personal assets and those of your wife and family. Banks try to get their hands on everything. If you have a good record, however, they'll listen to reason. But as a banker friend of mine says, banks just never have all the security they want.

Now those are some of the key points in obtaining bank financing and dealing with banks successfully, as we've been able to do. And once we've "gone into business" with a bank, we've never pulled away from one—nor had a bank pull away from us. Our companies use about eighty local banks, mostly as temporary local depositories, have lines of credit with seven, but actually rely on two primary banks for financing our acquisitions.

From 1962 to 1972 we built our basic broadcast operations, both TV and radio, and by 1977, we had our limit of twenty-one stations. We acquired our first outdoor advertising plant in 1962. Entry into outdoor was based on experience previously mentioned that showed outdoor to be effective reinforcement for television. Furthermore, with a 78-month depreciation schedule, it is a good "cash cow." Today, with bigger, cleaner signs, outdoor is a growing business because it does an effective job.

Most of our broadcast stations have (continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

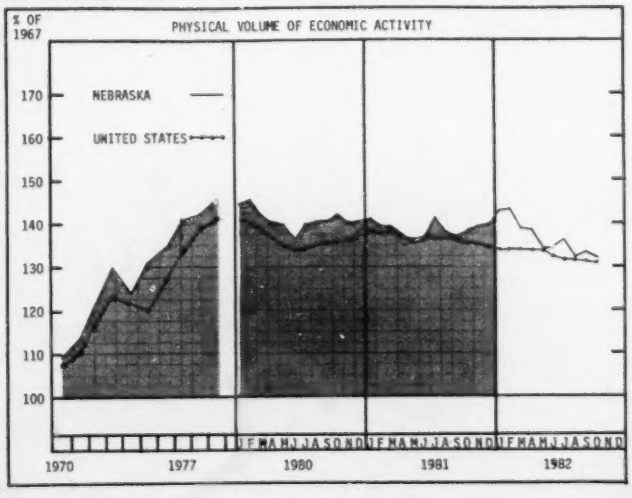
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

October, 1982	Current Month as Percent of Same Month Previous Year		1982 Year to Date as Percent of 1981 Year to Date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	N/A		N/A	
Agricultural	N/A		N/A	
Nonagricultural	101.2	101.0	100.3	102.3
Construction	90.7	101.8	74.3	94.4
Manufacturing	81.3	88.6	87.8	92.8
Distributive	106.6	105.6	103.9	105.9
Government	107.5	105.5	109.8	108.8
Physical Volume	N/A		N/A	
Agricultural	N/A		N/A	
Nonagricultural	96.2	96.6	94.6	96.4
Construction	90.1	101.2	72.4	92.1
Manufacturing	79.8	87.4	85.9	90.4
Distributive	101.5	100.5	97.4	99.4
Government	101.1	98.7	101.7	98.3

2. CHANGE FROM 1967

Indicator	Percent of 1967 Average	
	Nebraska	U.S.
Dollar Volume	N/A	N/A
Agricultural	N/A	N/A
Nonagricultural	374.3	363.5
Construction	207.1	312.8
Manufacturing	303.0	278.8
Distributive	407.0	412.3
Government	417.7	376.4
Physical Volume	N/A	N/A
Agricultural	N/A	N/A
Nonagricultural	132.1	130.8
Construction	62.6	94.5
Manufacturing	126.2	113.1
Distributive	138.4	140.2
Government	147.7	146.2

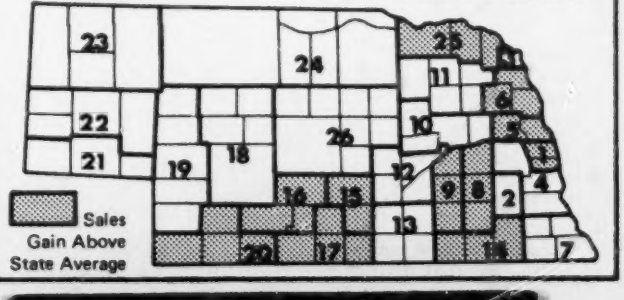


3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES (Adjusted for Price Changes)

Region Number and City	City Sales *	Sales in Region *	
	Oct. 1982 as percent of Oct. 1981	Oct. 1982 as percent of Oct. 1981	Year to date '82 as percent of Year to date '81
The State	88.0	90.3	94.1
1 Omaha	78.9	82.9	96.3
Bellevue	92.1		
2 Lincoln	89.7	91.8	93.9
3 So. Sioux City	96.7	94.8	89.9
4 Nebraska City	90.9	98.2	95.6
5 Fremont	99.2	102.1	94.9
Blair	101.5		
6 West Point	103.1	108.0	99.6
7 Falls City	97.4	92.7	93.9
8 Seward	90.1	102.0	95.2
9 York	93.8	100.9	96.1
10 Columbus	109.3	105.3	92.7
11 Norfolk	95.7	98.4	93.3
Wayne	100.1		
12 Grand Island	96.2	100.3	92.7
13 Hastings	90.8	96.2	90.6
14 Beatrice	92.5	99.8	95.4
Fairbury	97.3		
15 Kearney	93.7	95.8	96.8
16 Lexington	98.9	102.6	97.0
17 Holdrege	124.0	108.7	97.3
18 North Platte	94.3	96.5	93.8
19 Ogallala	98.9	102.9	92.3
20 McCook	107.5	110.4	98.2
21 Sidney	94.8	84.1	92.1
Kimball	68.3		
22 Scottsbluff/Gering	89.9	90.5	89.8
23 Alliance	82.9	89.3	88.8
Chadron	92.0		
24 O'Neill	96.3	93.1	90.1
25 Hartington	92.1	99.1	95.9
26 Broken Bow	101.0	98.4	91.1

*State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Region totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.

1982 YEAR TO DATE AS PERCENT OF 1981 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



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giants—so we *out-thought* them.

Mixes had mainly been marketed as a "just add water or milk" convenience item. But, in keeping with the Duncan Hines name and quality reputation, we altered the standard formula by leaving in the dried milk and removing the dehydrated eggs. Next to a picture of Duncan Hines on every cake mix package was this statement, in quotes: "I have found that strictly fresh eggs mean a bigger, better cake . . . in appearance, flavor and freshness."

Too, knowing throughout that we were "running with the big boys," we had to do things differently—and did. We were first (late forties) to sell cake mix on TV, with Mr. Hines, himself, doing the commercials. The finished cake photographed beautifully on camera—"frosted" with heavy axle grease, which better withstood the hot lights. (Today, we would probably have to deal with consumer advocates if we did that!)

We were also first to figure out that outdoor advertising was really "outdoor TV," so we used the same visual theme for both our TV and outdoor ads, reminding the housewife on her way to the store of Duncan Hines, and of last night's TV commercial.

We were first to use four-color ads in newspapers, since it did not make sense to take full-color in national women's magazines when we had only partial distribution. We used the newspaper's comic presses, which back then were the only way to get newspaper color. Sure it was crude, but it all tied together with TV and outdoor, and it *worked.*

Ad men are always talking "dog and pony shows," and we really had one on the road, with mayors from Albany, N.Y., to San Francisco presenting Hines the keys to the city and proclaiming "Duncan Hines Day"—all the unvarnished hokum Americans have loved since the days of P. T. Barnum. And, in a more serious marketing vein, the Duncan Hines Day usually concluded with a big reception and sit-down dinner, attended by the governor and assorted big-wigs, plus the key chain food store buyers. Again, using a new wrinkle, all were invited to bring their wives—this last almost unheard of back then. With a corsage presented on arrival and an autographed Duncan Hines cookbook when they left, the wives found it a memorable family affair. Our people were under strict orders to sell nothing to anyone—at the party. Next day was another story.

These techniques—plus good products and tight quality control—put Duncan Hines cake mixes number two among all brands in sales, despite distribution in only twenty-three states. It was the cake mix that made the Duncan Hines line a marketing force to be reckoned with, and which led directly to a merger proposal from Proctor & Gamble in 1956, just about five years after our cake-mix launching.

Let me tell you how our food company was set up before we talk about the acquisition by Proctor & Gamble. To leave my options to operate completely open, I frankly prefer to own one hundred percent of a business. In the arrangement of initial financing for Hines-Park Foods, however, I didn't have enough money, so some preferred stock was sold with common stock as a bonus in the package. Confidence by potential investors and your own faith in yourself are about all you have going for you in the beginning—although in my case, Duncan Hines's name certainly didn't hurt!

Proctor & Gamble came along with a proposal built around a tax-free merger of Hines-Park Foods into P&G, and exchange of shares of Hines-Park for their stock. Thus, in 1956, I relinquished my stock control of Hines-Park, but importantly, the move provided the initial financing base on which to start building businesses which I would own outright.

Other elements of my contract with Proctor & Gamble required that I work for them for three years and continue as a consultant to them for an additional seven, without competing. Actually, it was a generous arrangement that I found so pleasant and stimulating, I remained an active executive with them for seven years, not three, and only a few years back concluded my consulting arrangement with P&G. Oh, there was one more provision written into the initial agreement: that I be allowed to work on my *own* business fifty percent of the time.

At P&G, I was heavily impressed from the beginning with the great marketing power of television. And I watched as more and more advertising dollars moved out of magazines and out of newspapers, and into TV. It looked to me like the coming medium—the "great growth" medium, and it turned out to be just that.

When we bought our first television station, WNCT-TV in Greenville, North Carolina, in 1962, TV industry ad expenditures totaled $1.89 billion; in 1982—almost $13 billion; projected for 1985, $21.3 billion—almost eleven times as much as in 1962. And now hold your breath—the projection for 1990 is $40.72 billion, almost double in five years and twenty times as much as in 1962 when I bought my first station.

Much as I had enjoyed (and learned from) my association with Proctor and Gamble, I was champing at the bit to get back on my own. With acquisition of the Greenville, North Carolina, television station, I was back on my own . . with the help of a million dollar note to an insurance company and a million and a half dollar loan from Wachovia Bank and Trust Company in North Carolina, collateralized by P&G stock.

My approaching an insurance company for financing was based wholly on a personal relationship. I had come to know the president of Massachusetts Mutual through my directorship of what is now ConAgra, and the financing his firm had provided to this company. At a later date, while arranging financing for our second station through a bank, I found that banks would go as high as eighty percent to finance a good property, while an insurance company, back in those days, would not go more than thirty percent.

Here are some rules I have learned:

- Loan obligations are critically important to your credit, and your reputation pivots on your repayment record. Meet payments *on* time or *ahead* of time *every* time.
- Banks *don't* like surprises, particularly bad news on *your* operation that they hear elsewhere, or dig up themselves. Keep them fully informed, ahead of time, and especially do this if the news is bad.
- "Mortgage the limbs, but never the trunk." Borrow on the separate companies you hold, but keep the parent corporation liquid to provide the "down" money for possible acquisitions and emergency needs.
- In financing any kind of business, deal with a bank experienced in backing your kind of business, and always deal with the top man—he can make decisions. In any business there are plenty of people who can say no—only a limited few can say yes and make it stick.

(continued on page 4)

(continued from page 5) disciplines which measure accountability and insure performance.

We place no *editorial* restrictions on either broadcast or newspaper management, with these exceptions: broadcast editorials are kept *occasional,* confined to *local* issues, and aired only by the local station manager. We want to have something relevant and helpful to say—not just fill time. Our newspaper editorials are governed only by good common sense, and use whatever space is needed and justified by the issues of the day—again, with emphasis on, but not limited to, local causes.

Now, for your big question: How do we run all this?--it must take an executive regiment. No, it doesn't, but we do have some of the best executives you could find. We hire people with good I.Q.s, who are not afraid to work, and who are morally straight, honest, square dealers.

Only eight operating executives are involved in our headquarters operation, including myself. There are executives in charge of newspapers, television, and radio divisions. We also have separate executives for real estate and outdoor, and one for overall finance and an overall controller.

There are only thirty corporate employees in Ithaca, mostly in auditing, clerical, and maintenance. We monitor our field operations carefully, hold regular meetings to bring the judgment of the whole group to bear on problems, and share the committee approach found in many large companies.

The total gross assets of these companies are approximately $170 million as of June 30, 1982. Total sales were approximately $80 million in calendar 1981 and will approach $90 million in 1982.

In building a sound business operation of this size without stockholders, I've had some headaches—and been spared some, too. Stockholders' meetings can do awful things to a president's nervous system, and so can dividend demands. In building my business, I've learned some things that I think will bear passing along "one more time"—and I'll keep them brief:

1- Pay attention to details, they *do* make a difference.
2- Get things done on time—learn to answer your mail the same day you get it, and tackle and resolve problems promptly.
3- Delegate to others as much as you can—and you will be surprised that often they can handle these things as well as, or better than, you can. Even so, you must constantly check up to see that nothing falls through the crack.
4- Use showmanship, imagination. Dramatize what you're doing.
5- Take action. If you have the facts and a little common sense, and you *move,* you've got better than a fifty percent chance of being right.
6- Do your business homework. I've never bought a property that I didn't bone up on and know more about than the man or people who owned it.
7- Reinvest the cash flow as it is generated—but always keep a liquid position.

These cardinal concepts have served me well over the years.

NEBRASKA POPULATION PROJECTIONS 1985-2020

The Bureau of Business Research has completed work on *Nebraska Population Projections, 1985-2020.* The volume contains population projections for counties by age and sex for the quinquennial years 1985, 1990, 1995, 2000, 2005, 2010, 2015, and 2020. Age and sex information is provided for the cohorts 0-4, 5-14, 15-24, 25-44, 45-64, and 65+. A special tabulation was made for the cohort 0-17.

Copies of the volume are available at $17.50 from the Bureau of Business Research, 200 CBA, University of Nebraska-Lincoln, Lincoln, NE 68588-0406. Checks should be made payable to Bureau of Business Research.

UNL news

Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524

BUSINESS IN NEBRASKA
PREPARED BY BUREAU OF BUSINESS RESEARCH
Member, Association for University Business & Economic Research

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No. 461 February 1983

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